

LTC ALERT!

California Partnership for Long-Term Care

What you should know about Long-Term Care

February 2002

Partnership Hosted Focus Groups Provide Valuable Insight From California Consumers

Greater insight into how consumers view long-term care was gained in a recent series of focus groups hosted by the California Partnership for Long-Term Care. Examining attitudes, concerns and perceptions about long-term care insurance and issues, the Partnership conducted a total of six focus groups with adult children and seniors in Sacramento, Los Angeles and San Jose -- unveiling some common patterns, concerns and needs.

The primary purpose of the focus group was to test new brochures that will be produced shortly and concepts for a new Partnership video. However, the groups also provided valuable consumer information that points to potential marketing opportunities.

LTC Insurance Knowledge

Though seniors seemed to have some knowledge about the products, most were still confused about the nature of long-term care insurance and how exactly a policy would benefit them. They thought the materials they received through work or mail were not clear and used confusing vocabulary. Seniors also wanted to know more about protecting their assets in case of illness. The adult children showed some knowledge of long-term care insurance, but this was mainly expressed by those whose parents had purchased a policy. Overall, adult children had more limited knowledge of long-term care insurance than the seniors.

Family Discussions on Long-Term Care

Overall, senior participants had plans for death and burial but had not discussed long-term care issues with family members. Few had spoken to their children about long-term care and assumed their children did not want to consider the issue. Seniors did not want to burden their adult children with the responsibility. Some also expressed concern about being single or not living near family members and foreseeing a potential

lack of family support. As for the adult children, it was interesting that they pointed to their parents' unwillingness to discuss such issues, claiming their parents were in denial. Some adult children also mentioned fears that their parents would perceive a loss of control over their future if they were to discuss long-term care options with their adult children. In general, the adult children assumed their parents would be taken care of first by a spouse, then by a female child, should the need arise. This assumption was present even when parents were adamant about not wanting to be a burden to their children.

...Few [seniors] had spoken to their children about long-term care and assumed their children did not want to address the issue...Ironically, the adult children pointed to their parents' unwillingness to discuss such issues...

Brochure Testing

Participants were shown a brochure under development by the Partnership for the senior audience. Senior participants found the brochure easy to read and mentioned that their immediate reaction was a desire to know more about long-term care insurance and the cost. When asked what they would do after having read this brochure, participants indicated that they would call for more information.

When the adult children were asked for their input on a separate brochure developed specifically as a resource for them, most indicated that their parents were in denial about long-term care. When asked if they would be a caregiver to their parents, the typical answer was "yes." However, when further probed and given a clear definition that caregiving can mean bathing and dressing, there was a very high level of discomfort and general admission that they could not be the caregiver.

As with the seniors, the adult children found that the brochure made them think about long-term care insurance and related issues. "It's thought provoking and aimed at me, not my parents," remarked one Los Angeles woman. A Sacramento woman noted that this could serve as a tool that would

help to encourage her father to “share his plans and desires.” However, several participants were very vocal in characterizing their senior parents as extremely reluctant to talk about issues related to long-term care.

Consumer Video Concept Testing

Participants were read sample video scripts and shown some images for a new Partnership video in development. Most found the video to be an informative and thought-provoking medium. The seniors indicated that they would share it with their adult children and vice versa. Both groups thought it would be a good way to initiate “the conversation” about long-term care.

“What stuck in my mind is what’s going to happen to me

or my wife? Will my kids take care of me or am I going to be in the same situation as that lady [video participant who experienced financial devastation and family discord]?” stated a San Jose senior. “This one [video] opened up something for me.”

Ironically, the focus group not only provoked greater interest in the subject but, by the end of the sessions, many participants had become personally interested in long-term care insurance and wanted more information about the different products.

Additional details of the focus group results will be presented during the Partnership’s Continuing Education seminars in May 2002.

May 2002 CE Credit Seminars

The Partnership will conduct two Continuing Education seminars in May 2002, to be held in the Long Beach and Sacramento areas. These advanced seminars are for agents who have already completed the basic training required by the Partnership. Watch your mail for more details!

Long-Term Care Tax Credit

Taxpayers, their spouse or dependents, requiring long-term care may qualify to claim a \$500 Long-Term Care Credit on their 2001 California state income tax return, according to the Franchise Tax Board (FTB). This non-refundable credit is available for the qualifying individual—the one who needs the care—who has long-term care needs that will last for at least 180 consecutive days. The credit is available to taxpayers whose California adjusted gross income is under \$100,000. To find out more, access FTB’s Web site at www.ftb.ca.gov.

Partnership Advisory Group

The Partnership Advisory Group offers a forum for agents to exchange industry information. To find out more, log on to our Web site at www.dhs.ca.gov/cpltc and reference Agent Tools & Resources. To join our Advisory Group, please contact Jack Sanders at (916) 323-4253 or e-mail jsanders@dhs.ca.gov.

MetLife and Hancock Selected for Federal Employee Offering

The U.S. Office of Personnel Management has announced that Metropolitan Life Insurance Company and John Hancock Life Insurance Company have been selected as the insurers for the Federal Long Term Care Insurance Program. Through a jointly owned entity, Long Term Care Partners, LLC, the team has begun preparation for the program’s early enrollment opportunity for federal employees set to begin March 25, 2002.

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